

ARIZONA STATE BOARD OF ACCOUNTANCY

OPEN SESSION MINUTES

December 4, 2006

Members of the Arizona State Board of Accountancy held a meeting at 8:25 a.m. on Monday, December 4, 2006 at the Accountancy Board Office in Suite 165, 100 N. 15th Avenue, Phoenix, Arizona. An Executive Session was held from 8:34 a.m. to 9:14 a.m.

BOARD MEMBERS:

Earl R. Shivers, CPA	President
Marianne E. DeVries, CPA	Treasurer
Patrick J. Ramirez	Secretary
^ Donald R. Bays, CPA.....	Member
^ Debbi Fitzgerald, CPA	Member
☉ Samuel L. Fogleman, CPA	Member
+☉ James E. May	Member

☉ Arrived at 8:38 a.m.

+☉ Left at 11:17 a.m.

^ Absent

OTHERS PRESENT:

Valerie M. Elliott	Executive Director
Jim Dubé	Deputy Director
Seth T. Hargraves, Esq.	Assistant Attorney General
Nancy J. Beck, Esq.	Assistant Attorney General
Ryan P. Edmonson.....	Programs & Projects Specialist II
Leslie R. Reed.....	Administrative Assistant III

GUESTS PARTICIPATING:

David Costello	NASBA, President and CEO
Cindie Hubiak, CPA.....	ASCPA, President and CEO
Adela Jimenez	ASCPA, Director of Finance and Administration
Michael T. Daggett, CPA	Law Review Advisory Committee Member

The meeting was called to order at 8:25 a.m. by Earl R. Shivers, President. The following order of business was then considered:

OPEN SESSION

CALL TO THE PUBLIC

No one wished to address the Board.

MINUTES

November 13, 2006 Board Meeting

A motion was made by James E. May, seconded by Marianne E. DeVries and passed to approve the Open Session Minutes from the November 13, 2006 Board meeting.

A motion was made by James E. May, seconded by Marianne E. DeVries and passed to approve the Executive Session Minutes from the November 13, 2006 Board meeting.

DECLARATION OF CONFLICTS OF INTEREST

No conflicts were declared.

EXECUTIVE DIRECTOR'S REPORT

Valerie M. Elliott, Executive Director, gave an update to the Board on the budget, performance measurements and agency operations.

Ms. Elliott requested, from the Board, that the Board's office be allowed to close on December 15, 2006 for a staff holiday party.

A motion was made by Patrick J. Ramirez, seconded by James E. May and passed to approve of closing the Board's office on December 15, 2006 for a staff holiday party.

A motion was made by Marianne E. DeVries, seconded by James E. May and passed to go into Executive Session at 8:34 a.m. to seek legal advice and review confidential material pursuant to A.R.S. § 38-431.03(A)(2)(3) and (4).

After consideration in Executive Session, the Board reconvened in Open Session at 9:14 a.m.

COMMITTEE RECOMMENDATIONS – INVESTIGATION FILES

File No. 2006.073

A motion was made by Patrick J. Ramirez, seconded by Marianne E. DeVries and passed to accept the Tax Practice Committee's recommendation to close the complaint file, no violations of professional standards.

File No. 2006.089

A motion was made by Patrick J. Ramirez, seconded by James E. May and passed to accept the Tax Practice Committee's recommendation to offer a Decision and Order (By Consent) to include probation for one year, an additional 12 hours of continuing professional education in the areas of practice management and ethics, all of which are to be in addition to the statutory requirement and an administrative civil penalty in the amount of \$500.00, and if not accepted within 30 days, file a Complaint and a Notice of Public Hearing.

File No. 2006.089

A motion was made by Patrick J. Ramirez, seconded by James E. May and passed to open an investigative file regarding the accounting and auditing issues and assign it to the Accounting and Auditing Standards Committee for further investigation.

File No. 2006.089

A motion was made by Marianne E. DeVries, seconded by James E. May and passed to amend the administrative civil penalty from \$500.00 to \$1000.00.

File No. 2006.090

A motion was made by Patrick J. Ramirez, seconded by James E. May and passed to accept the Tax Practice Committee's recommendation to issue an Administrative Letter of Concern as amended in executive session and close the file.

File No. 2006.079

A motion was made by Patrick J. Ramirez, seconded by Marianne E. DeVries and passed to accept the Tax Practice Committee's recommendation to close the complaint file, no violations of professional standards.

COMMITTEE RECOMMENDATIONS - PEER REVIEW

File No. 2007.029

A motion was made by Patrick J. Ramirez, seconded by Marianne E. DeVries and passed to accept the Peer Review Oversight Advisory Committee's recommendation to offer a Decision & Order (By Consent) for suspension, up to one year and an administrative civil penalty in the amount of \$500.00, and if not accepted within 30 days, file a Complaint and a Notice of Public Hearing.

NOTICES OF UNLAWFUL USE OF THE CPA DESIGNATION

File No. 2007.024

A motion was made by Patrick J. Ramirez, seconded by James E. May and passed to accept the response and close the file.

File No. 2007.034

A motion was made by Patrick J. Ramirez, seconded by Marianne E. DeVries and passed to accept the response and close the file.

ITEMS FOR BOARD REVIEW, DISCUSSION AND LEGAL ACTION

Issues from and regarding the National Association of State Boards of Accountancy (NASBA)

David Costello, President and CEO of NASBA was present, to discuss the following issues regarding NASBA with the Board.

1. Review of NASBA's Annual Meeting
2. Amendments to the CBT Exam Contract; and
3. Communication between the Board and NASBA.
4. Exam Review Board (ERB) Report on the Uniform CPA Examination
5. Mobility
6. Accountancy Licensee Database
7. International Qualifications Appraisal Board/International Qualifications Examination

CONSENT AGENDA

(The Board may pull any of the following items off the consent agenda and take individual action) Board discussion and legal action on the following items:

Due to conflicts, Mr. Fogleman requested that Flint A. Matchett be pulled from item 13. g. of the consent agenda and voted on separately.

Board requested the following consent agenda item be pulled from the consent agenda and vote on separately:

13-c Recommended for Firm Name Change:

Neal Ranstrom CPA PC	
Ranstrom & Co CPA's PC	2314-C
Neal Ranstrom	4267-E

A motion was made by Samuel L. Fogleman, and seconded by Marianne E. DeVries and passed to accept the following consent agenda:

- a. Recommended for Registration of Professional Corporation for the following Applicants - (Meets the requirements of A.R.S. § 32-734):

Bruce Raskin CPA PC	Frank W. Loncto CPA PC
Shareholder: Bruce Raskin 13017-R	Shareholder: Frank W. Loncto 13111-R

Burdsall Consulting Services PC
Shareholder: Scott L. Burdsall 14323-R

- b. Recommended for Registration of LLC/PLLC/LLP's for the following Applicants (Meet the requirements of A.R.S. § 32-735):

Edward J. Senini Jr CPA PLLC	John Jones CPA LLC
Shareholder: Edward J. Senini Jr 11290-R	Shareholder: John Jones 5673-E

NSC Certified Public Accountants LLC	Peto & Company CPA's PLLC
Shareholder: Mark S. Nexsen 9440-R	Shareholders: Loretta Peto 4820-E
Maryanne Schulte 9418-E	Scott Sebree 9176-E

- | | |
|---|--|
| Cleveland, Estes, Avellone PLLC
Shareholders: Richard Avellone 12197-E
Charles M. Estes 5259-R
Elizabeth Anne Cleveland 2347-E | Neslen, Woods & Dwyer PLC
Shareholders: Michael Neslen 12507-E
Tom Woods 4661-E
M. Susan Dwyer 6476-E |
| Young CPA Solutions LLC Shareholder:
Kelly Young 12526-E | Anderson CPA Tax Professionals PLLC
Shareholder: Gaelen Anderson 12448-E |
| Bloomfield Financial PLLC
Shareholder: Mark Jay Weech 9913-E | DMB Office Services LLC
Shareholder: Karen L. Peck 14316-E |
- d. Request for Firm Cancellation – Do not wish to renew:
Christensen, Gale & McLaren LLP 514-B Jon W. Gale CPA PC 2079-C
- e. Recommended for Cancellation of Certificate per registrant's request not to renew:
- | | |
|---------------------------------|-----------------------------------|
| Gary A. Dufault 5441-R | J.D. King 6054-R |
| Joyce Ann Schneider 4914-E | Frank Chung-Yung Yang 3208-E |
| Thomas Carlini 9668-E | Barbara Jane Mauntel 4705-E |
| Henry Dykowsky 4711-R | |
- f. Recommended for Reissuance of Certificate because of Name Change:
Amy Flake (F. Orr) 13968-E
- g. Recommended of the Certification Committee for approval of Certification by Examination – A.R.S. §32-721:
- | | |
|-----------------|-------------------------|
| Mentor Berisha | Jill Ellen Jaffe |
| Corey M. Jones | Adam S. Peterson |
| Laura L. Mangan | Rajashree Soman |
| Roger G. Morris | Robert Jason Wallendorf |
| Gwen Siedler | |
- h. Recommendation of the Certification Committee for approval of Certification by Reciprocity – A.R.S. §32-724:
- | | |
|--------------------------------|----------------------------|
| Debra G. Heiskala – California | Stephen Henry – California |
|--------------------------------|----------------------------|
- i. Recommendation of the Certification Committee for approval of Certification by Reciprocity based on Substantial Equivalency – A.R.S. §32-726(B):
- | | |
|---------------------------------------|---------------------------------|
| Roger D. Alger – Nebraska | Debra H. Bennett – Washington |
| James A. Blair – California | Vaun C. Day – Oklahoma |
| Christa M. Dunn - South Carolina | Linda H. Erickson – Nebraska |
| Richard L. Fagnani – Pennsylvania | Tanya M. Firdman – California |
| Frederick C. Hamilton – Pennsylvania | Elaine Heerlein – Kentucky |
| Kenneth Anthony Jacobson – Washington | Chris A. Luppold – Pennsylvania |
| Stephen V. Masterson – Georgia | Sean A. McKee – Ohio |

Noel C. Murray – Nevada	Peter A. Troxel – Oklahoma
Jada Caroline Watkins - North Carolina	Randall J. Wolf – Kentucky
Brian J. Zottnick - Montana	

- j. Recommendation of the Certification Committee for approval of Certification by Grade Transfer – A.R.S. §32-723:

Jeanette Calvert	Joseph William Crockett	John Leslie Feier Jr.
John B. Guba	Gwyn Hatch	Katherine Jean Haydon
Gregory James Karnos	Nicole Suzanne Luft	Michael D. McKay
Piikwa Ngite Nnoko	Jenilin Olsen	Trenton Steven Porter
Jordan Isaac Taylor	Kathryn Marie Thompson	Jason David Thorp
Olivia Clare Wells	Jared William Van Arsdale	

CONSENT AGENDA

A motion was made by Marianne E. DeVries, seconded by James E. May and passed to approve the following consent agenda item:

- 13-g. Recommendation of the Certification Committee for approval of Certification by Examination - A.R.S. §32-721: Flint A. Matchett

Samuel L. Fogleman declared a conflict and did not vote.

ITEMS FOR BOARD REVIEW, DISCUSSION AND LEGAL ACTION

Failure to Respond to Offered Decision and Order (By Consent)

File No. 2006.060; Schatza, Curt

A motion was made by Marianne E. DeVries, seconded by James E. May and passed to file a Complaint and a Notice of Public Hearing, but to postpone filing the Complaint and a Notice of Public Hearing to see if Mr. Schatza responds another regarding his firm, and if not accepted, to combine the matters into one hearing.

Response to Offered Decision and Order (By Consent)

File No. 2007.043; Baldwin & Jones, PLLC 2457-L

A motion was made by Marianne E. DeVries, seconded by Patrick J. Ramirez and passed to offer a Decision & Order (By Consent) to include an administrative civil penalty of \$500.00 to be paid within 60 days, if not accepted within 30 days file a Complaint and a Notice of Public Hearing.

File No. 2007.037; EECPA, PLC 1126-C

A motion was made by Marianne E. DeVries, seconded by Patrick J. Ramirez and passed to re-offer a Decision and Orders (By Consent) for probation up to one year, with a letter of explanation regarding final acceptance letters, and if not accepted within 30 days file a Complaint and a Notice of Public Hearing.

File No. 2007.048; Michael D. Hachey, CPA 4117-S

A motion was made by Marianne E. DeVries, seconded by Patrick J. Ramirez and passed to offer a Decision & Order (By Consent) to include an administrative civil penalty of \$500.00 to be paid within 60 days, if not accepted within 30 days file a Complaint and a Notice of Public Hearing.

Termination of Decision & Order (By Consent)

File No. 2007.017; Young, Dean

A motion was made by Marianne E. DeVries, seconded by James E. May and passed to terminate the Consent Order and close the file.

Request to Terminate Suspension and Reinstate to Probation Status

File No. 2004.047; Abbott, William

A motion was made by Samuel L. Fogleman, seconded by Marianne E. DeVries and passed to terminate suspension and reinstate to probationary status.

Request for a CPE Waiver and Fee Waiver – A.R.S. § 32-730(C) & (D)

Scott L. Niel 7563-E

A motion was made by Samuel L. Fogleman, seconded by James E. May and passed to grant the request for CPE and Fee Waiver.

Request for a CPE Extension

Judy M. Mavroleon 10644-E

A motion was made by Samuel L. Fogleman, seconded by James E. May and passed to grant an extension of time until June 30, 2007 from the date of renewal to complete the required CPE.

Request for inactive status – A.R.S. § 32 – 730:

Cathy Pratt Pollack 4488-E

Clare H. Mix 12151-E

A motion was made by James E. May, seconded by Marianne E. DeVries and passed to grant their requests for inactive status.

CPE Committee Recommendation for Notice of Hearing for Non-Compliance

John M. Leslie 4980-R

A motion was made by James E. May, seconded by Marianne E. DeVries and passed to offer a Decision & Order (By Consent) for suspension and if not accepted within 30 days, file a Complaint and a Notice of Public Hearing.

CPE Committee Recommendation for Consideration of Reinstatement of Cancelled/Suspended Certificate

Katherine Christine Lahowetz 2620-E

A motion was made by Samuel L. Fogleman, seconded by James E. May and passed to grant reinstatement of cancelled/suspended certificate.

Stacy Mytty 12153-E

A motion was made by Marianne E. DeVries, seconded by James E. May and passed to grant reinstatement of cancelled/suspended certificate.

CONSENT AGENDA

Recommended for Firm Name Change:

Neal Ranstrom CPA, PC

Ranstrom & Co CPA's PC 2314-C

Neal Ranstrom 4267-E

A motion was made by Marianne E. DeVries, seconded by James E. May and passed to approve the firm name change.

ITEMS FOR BOARD REVIEW, DISCUSSION AND LEGAL ACTION

Firm Compliance – A.A.C. R4-1-455.03(D)(2) & (F)

Ranstrom & Co., CPA, PC 2314-C

Request for Additional Extension to Complete Peer Review – Peer Review Originally Due by September 30, 2006 – Previously Granted Extension until November 30, 2006

Ranstrom & Co., CPA, PC 2314-C

A motion was made by Marianne E. DeVries, seconded by James E. May and passed to offer a Decision and Order (By Consent) for probation not to exceed 12 months or until the Board's peer review requirements are met, and if not accepted within 30 days, file a Complaint and Notice of Public Hearing.

Application for Certification by Examination, Deferral by Certification Committee - A.R.S. § 32-721

Samuel Willard Kerch

Samuel L. Fogleman reviewed the file. A motion was made by Samuel L. Fogleman, seconded by Marianne E. DeVries and passed to approve her request for application for certification by examination.

John Marcus Taylor

A motion was made by Marianne E. DeVries, seconded by Patrick J. Ramirez and passed to defer action for 90 days.

Recommendation of the Certification Committee for approval of Certification by Reciprocity - A.R.S. §32-724:

Viviane I. Thompson - California

Seth T. Hargraves, Assistant Attorney General, reviewed the applicant's history. A motion was made by Marianne E. DeVries, seconded by Patrick J. Ramirez and passed to approve certification by reciprocity.

Continuing Professional Education Advisor Committee Position Paper regarding CPE Requirement and recommended changes

A motion was made by Marianne E. DeVries, seconded by Samuel L. Fogleman and passed to accept the CPE Committee's recommendation regarding CPE requirements and changes, and to remand the issue to the Board's Law Review Committee with a request that the Committee make a recommendation to the Board regarding necessary rule changes.

Issues from and regarding the National Association of State Boards of Accountancy (NASBA)

Quarterly Communications from NASBA

The Board reviewed and discussed the following NASBA issues.

1. Cover Letter - November 2006
2. Focus Questions - November 2006
3. Board of Directors October 2006 Highlights
4. Minutes of July Board of Directors Meeting
5. Executive Summary of Focus Questions Report
6. Regional Directors Focus Questions Report
7. UAA Model Rules Exposure Draft

SUMMARY OF CURRENT EVENTS

Valerie M. Elliott, Executive Director gave an update regarding the luncheon with the top Arizona candidates, and certification workshop.

DISCUSSION OF ITEMS TO BE PLACED ON FUTURE MEETING AGENDA

The Board discussed sending a thank you letter to Mr. Costello regarding the Board's meeting and discussion.

ADJOURNMENT

A motion was made by Marianne E. DeVries, seconded by Samuel L. Fogleman and passed to adjourn at 11:41 a.m.

Earl R. Shivers, CPA, President

Marianne E. DeVries, CPA, Treasurer

Patrick J. Ramirez, Secretary

Samuel L. Fogleman, CPA, Member

James E. May, Member